



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
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September 5, 2012

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CITY CLERK  
C & C OF HONOLULU  
2012 SEP - 6 AM 9:04

MEMORANDUM

TO: COUNCILMEMBERS  
HONOLULU CITY COUNCIL

FROM: COUNCILMEMBER ANN H. KOBAYASHI *AHK*

RE: PROPOSED FD1 TO RESOLUTION 12-212 – URGING THE CITY TO EXPAND  
THE MEMBERSHIP OF THE COMMITTEE OF THE CITY AND COUNTY OF  
HONOLULU 457(b) DEFERRED COMPENSATION PLAN

As mentioned during the Committee on Budget meeting on August 29, 2012, I am circulating a proposed FD1 to Resolution 12-212 for your reference.

AHK: ms

Attachment

**SUMMARY OF PROPOSED FD1:**

**RESOLUTION 12-212**

**URGING THE CITY TO EXPAND THE MEMBERSHIP OF THE COMMITTEE OF THE CITY AND COUNTY OF HONOLULU 457(b) DEFERRED COMPENSATION PLAN TO INCLUDE ADDITIONAL EMPLOYEE MEMBERS AND RETIREE REPRESENTATION**

**PROPOSED FD1:**

The proposed FD1 for this Resolution changes the BE IT RESOLVED clause to add the following:

1. Four ex-officio members designated as the Managing Director, the Corporation Counsel, the Director of Budget and Fiscal Services, and the Director of Human Resources.
2. At least three members to be elected by Plan participants, and at least one of the three members should be a retiree.



## RESOLUTION

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URGING THE CITY TO EXPAND THE MEMBERSHIP OF THE COMMITTEE OF THE CITY AND COUNTY OF HONOLULU 457(b) DEFERRED COMPENSATION PLAN TO INCLUDE ADDITIONAL EMPLOYEE MEMBERS AND RETIREE REPRESENTATION.

WHEREAS, pursuant to Hawaii Revised Statutes ("HRS") Section 88E-14 and Internal Revenue Code Section 457, the counties are authorized to establish a deferred compensation plan for its employees and, pursuant to this authority, the City created a deferred compensation plan; and

WHEREAS, the purpose of the City and County of Honolulu 457(b) Deferred Compensation Plan ("Plan") is to provide a desirable employee benefit to individuals pursuing a career with the City and County of Honolulu and to provide eligible employees with a convenient and tax-favored means to save for retirement on a regular and long-term basis; and

WHEREAS, pursuant to the Internal Revenue Code Section 457, the Plan holds, on behalf of current and former city employees, self-directed contributions made by the employees to be invested in accordance with the employees' direction, and used by the employees upon their retirement; and

WHEREAS, the Mayor created a Deferred Compensation Committee ("Committee") to administer the Plan on behalf of the City-Employer; and

WHEREAS, the Committee is currently a five-member committee which includes ex officio department heads and division chiefs, with no committee member having been selected by city employees or retirees; and

WHEREAS, the Committee, a body that oversees approximately \$400 million of city employees' and retirees' personal funds, is accountable to and representative of the employees whose monies are invested in the Plan and the Plan participants should have access to and an opportunity to participate in the decisions of the Committee; and

WHEREAS, the Council acknowledges that while the Committee is not required to operate under HRS Chapter 92 ("Sunshine Law"), the Committee has been voluntarily following the open meetings and notification provisions of the Sunshine Law even though those procedures are not required of the Committee in the Plan document; and

WHEREAS, the Council believes that it is necessary for the Committee to follow the open meetings and notification provisions of the Sunshine Law so that the



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## RESOLUTION

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participants in the Plan will be able to monitor and participate in the decisions of the Committee; and

WHEREAS, in an effort to enhance the Committee's ability to represent Plan participants, the Committee membership should be revised to include representatives from among the city's employees and retirees; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu:

1. That the City, as the employer, is urged to expand the Plan's committee membership to seven members. The managing director, corporation counsel, director of budget and fiscal services and director of human resources shall be ex officio voting members of the committee. The remaining three members shall be elected by Plan participants, and at least one of the three members should be a retiree; and
2. That the Committee, through the adoption of Bylaws, formally establish Committee procedures to afford current Plan participants and city employees who are eligible to become Plan participants with access to and an opportunity to participate in the decisions of the Committee through open meetings, notification of meetings, posted Committee minutes, and such other procedures that may enhance the participation of these individuals in the Committee activities;

and

BE IT FURTHER RESOLVED that the Mayor submit the adopted Plan amendment and Bylaws to the Council no later than December 15, 2012; and



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 12-212, FD1

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## RESOLUTION

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BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and members of the Deferred Compensation Committee.

INTRODUCED BY:

Ann Kobayashi

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DATE OF INTRODUCTION:

August 21, 2012  
Honolulu, Hawaii

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Councilmembers